

MINUTES
EAGAR MUNICIPAL PROPERTY CORPORATION
22 W. 2nd St., Eagar, AZ
March 27, 2017 - 12:00 noon

MEMBERS PRESENT: Merrell Hamblin, MPC Secretary/Treasurer
Bryce Hamblin, Mayor
Vicki Anderson
Milton Nelson

MEMBERS ABSENT: Doyle Hale

STAFF PRESENT: Bruce Ray, Interim Town Manager
Eva Wilson, Town Clerk
Doug Brown, MPC Agent/Town Attorney

ITEM #1: CALL TO ORDER

The meeting of the Eagar Municipal Property Corporation Board (MPC) was called to order at 12:00 p.m.; a quorum was present.

ITEM #2: OPEN CALL TO THE PUBLIC

No public was present.

ITEM #3: NEW BUSINESS

A. CONSIDERATION TO APPROVE A CORPORATE RESOLUTION ALLOWING OFFICER(S) TO SIGN DOCUMENTS

As officers for the Eagar Municipal Property Corporation (MPC) have not as yet been appointed, consideration to approve the Corporate Resolution will be placed on the next MPC agenda after the appointment of officers.

B. DISCUSSION AND CONSIDERATION TO APPROVE THE MINUTES OF MAY 27, 2014

Bryce Hamblin made a motion to approve the minutes of May 27, 2014. Merrell Hamblin seconded; all were in favor, motion carried unanimously. 4-0

C. DISCUSSION AND CONSIDERATION OF THE SECOND AMENDMENT TO THE EAGAR MUNICIPAL PROPERTY CORPORATION BASHAS' INC. LEASE

Interim Town Manager Bruce Ray reported Bashas' Inc. is requesting a Second Amendment to their Lease on the building owned by the Eagar MPC. The First Amendment to the Lease expires May 31, 2017, and Bashas' is requesting a Second Amendment to the Lease

extending the term of the Lease for an additional one-year period until May 31, 2018 with an option to extend the Lease for an additional five-year period. Bashas' must give the MPC not less than 180 days prior to the expiration of the Second Renewal Period to state their option on the term of the Lease.

Merrell Hamblin asked what the finances of Bashas' are and Mr. Ray could only report that the Town of Eagar had received approximately \$160,000 in annual sales tax. Bashas' earns below the \$6 million that would then launch their requirement to pay for Lease payments for use of the MPC building.

Mayor Bryce Hamblin stated that at this point Bashas' is neither paying "rent" nor property taxes for the property. However, Mayor Hamblin is concerned about what Bashas' is doing on their part to increase business, as quality of produce is below par with what consumers are wanting. Mr. Ray stated he will call the corporate office to find out what their strategy is to draw customers and enhance the financial stability of the Eagar store.

Mr. Ray stated that the Town of Eagar is investigating placing the building's electrical service with Eastern Arizona Preference Pooling Association (EAPPA) to lower Bashas' operating cost as well.

MPC Agent Doug Brown stated he had no concerns with the language of the Second Amendment to the Lease, although there is concern that it specifies the one-year extension and the extension to a five-year option is wholly Bashas' prerogative; otherwise, the document is in order.

Merrell Hamblin made a motion to authorize the Second Amendment to the Bashas' Inc. Lease for one year and as stipulated in the Amendment. Bryce Hamblin seconded; all were in favor, motion carried unanimously. 4-0

ITEM #4: ADJOURNMENT

Bryce Hamblin made a motion to adjourn the Eagar Municipal Property Corporation meeting at 12:15 p.m. Merrell Hamblin seconded; all were in favor, motion carried unanimously. 4-0